

July 1, 2005

WASHINGTON STATE REPUBLICAN PARTY  
ATTN: PETER ABBARNO  
16400 SOUTHCENTER PARKWAY STE 200  
SEATTLE WA 98188

Subject: Complaint Filed Against Laura Ruderman – PDC Case No. 05-106

Dear Mr. Abbarno:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received October 28, 2004, alleging that Laura Ruderman, a candidate for Washington Secretary of State in the 2004 election cycle, violated RCW 42.17 by failing to timely report and disclose campaign related activities, including the breakdown of media buys.

Your complaint was reviewed in light of the following statutes:

**RCW 42.17.080 and 42.17.090** require candidates appearing on the primary and general election ballots to file frequent and detailed reports of contribution and expenditure activity, including the breakdown of media buys and the timely disclosure of expenditures, orders-placed and other liabilities.

You alleged that the Laura Ruderman campaign failed to list the proper expenditure code or description for media buys made by the campaign, and failed to provide a station by station breakdown of media buys for television political advertisements paid for by her campaign. In addition, you alleged that the Ruderman campaign filed a C-4 report listing \$355,262.94 in campaign debts without identifying or disclosing the nature of the debts.

We found that:

- Laura Ruderman filed a Candidate Registration Statement (PDC form C-1) announcing her candidacy for Secretary of State for the 2004 election cycle.
- The Friends of Laura Ruderman Campaign timely reported making a total of \$459,500 in expenditures to Media Strategies and Research (MSR) for professional services. The campaign failed to code these expenditures as broadcast advertising or provide an additional description of the expenditures.

- On October 28, 2004, PDC staff contacted the Ruderman campaign and requested a breakdown of the campaign media buys that had previously been reported as a lump sum on C-4 reports.
- On November 1, 2004, the Ruderman campaign submitted a response disclosing that the expenditures made to MSR were for broadcast advertisements. The response included a detailed listing of individual television stations from which the campaign had purchased media buys from October 11 through October 20, 2004. The breakdown was required to be reported by October 26, 2004.
- With regard to your allegation that the campaign listed debts totaling \$355,262.94 without identifying the nature of the debts, on October 26, 2004, the Ruderman campaign filed a C-4 report listing a \$415,000 expenditure to MSR for professional services. The campaign treasurer inadvertently added a zero to the actual expenditure of \$41,500, creating the appearance of a negative "cash-on-hand" balance of (\$355,262.94). On October 27, 2004, the campaign filed an amended C-4 report, correcting the expenditure to MSR to \$41,500. Thus, the actual "cash-on-hand" was \$18,237.06 and the apparent debt of \$355,262.94 did not exist.

The PDC does not condone the failure to include a code for expenditures or the late breakdown of media expenditures. Even though the information was filed when requested by PDC staff and was reported before the general election, the Ruderman Campaign will be reminded that it is required to provide a detailed reporting of its media buys with each C-4 report, and that timely reporting of required information is expected in any future election campaign. Failure to timely provide details of media expenditures in future election campaigns will likely result in enforcement action. No further enforcement action will be taken in this instance.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the Laura Ruderman Campaign.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie  
Executive Director

c: Laura Ruderman Campaign